

# ModernGraham Valuation

Company Name:

TE Connectivity Ltd

Company Ticker TEL

Date of Analysis

6/23/2016



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$22,487,834,079	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.75	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-415.89%	Fail
6. Moderate PEmg Ratio	PEmg < 20	14.31	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.12	Pass

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.75	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.61	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.38
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$168.76</b>
MG Value based on 3% Growth	\$63.56
MG Value based on 0% Growth	\$37.26
Market Implied Growth Rate	2.90%

### MG Opinion

Current Price	\$62.71
% of Intrinsic Value	37.16%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

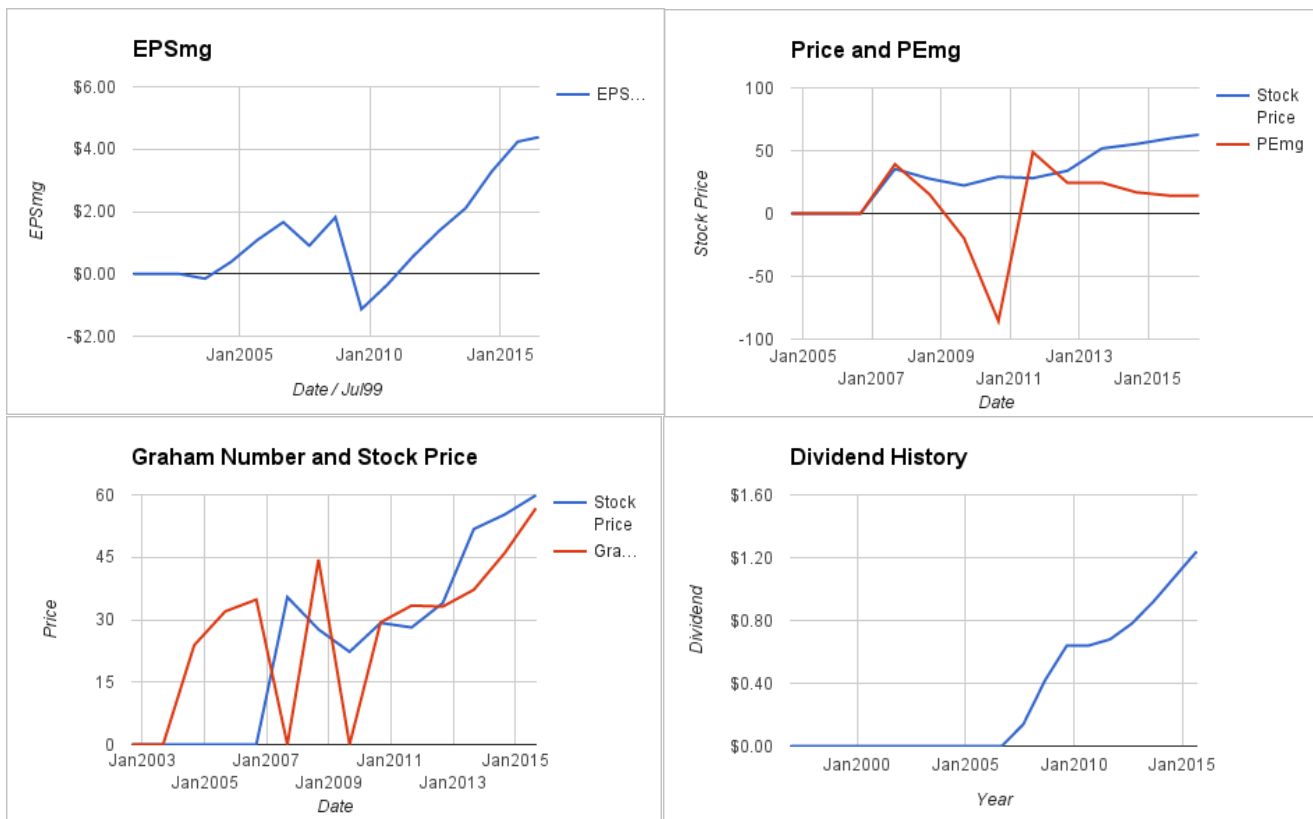
Net Current Asset Value (NCAV)	-\$13.64
Graham Number	\$43.98
PEmg	14.31
Current Ratio	1.75
PB Ratio	3.12
Current Dividend	\$1.32
Dividend Yield	2.10%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.15	Next Fiscal Year Estimate	\$4.38
Sep2015	\$5.89	Sep2015	\$4.24
Sep2014	\$4.27	Sep2014	\$3.28
Sep2013	\$3.02	Sep2013	\$2.11
Sep2012	\$2.59	Sep2012	\$1.39
Sep2011	\$2.81	Sep2011	\$0.58
Sep2010	\$2.41	Sep2010	-\$0.34
Sep2009	-\$7.09	Sep2009	-\$1.13
Sep2008	\$3.67	Sep2008	\$1.82
Sep2007	-\$1.11	Sep2007	\$0.90
Sep2006	\$2.40	Sep2006	\$1.66
Sep2005	\$2.30	Sep2005	\$1.08
Sep2004	\$1.53	Sep2004	\$0.39
Sep2003	-\$0.46	Sep2003	-\$0.15
Sep2002	\$0.00	Sep2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$5,414,000,000
Dec1997	\$0.00	Total Current Liabilities	\$3,097,000,000
Dec1996	\$0.00	Long-Term Debt	\$3,732,000,000
		Total Assets	\$17,841,000,000
		Intangible Assets	\$6,108,000,000
		Total Liabilities	\$10,435,000,000
		Shares Outstanding (Diluted Average)	368,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

- [The Best Stocks of the IT Hardware Industry – September 2015](#)
- [19 Best Stocks For Value Investors This Week – 8/29/15](#)
- [TE Connectivity Limited Analysis – August 2015 Update \\$TEL](#)
- [The 12 Best Stocks For Value Investors This Week – 5/30/15](#)
- [The Best Value Stocks of the IT Hardware Industry – May 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Juniper Networks Inc Valuation – June 2016 \\$JNPR](#)
- [Nvidia Corporation Valuation – June 2016 \\$NVDA](#)
- [Intel Corporation Valuation – May 2016 \\$INTC](#)
- [HP Inc Valuation – May 2016 \\$HPQ](#)
- [FLIR Systems Inc Valuation – May 2016 \\$FLIR](#)
- [NetApp Inc Valuation – March 2016 \\$NTAP](#)
- [Applied Materials Inc Valuation – February 2016 \\$AMAT](#)
- [Skyworks Solutions Inc Stock Valuation – February 2016 \\$SWKS](#)
- [Analog Devices Inc Stock Valuation – February 2016 \\$ADI](#)
- [Garmin Ltd Stock Valuation – February 2016 \\$GRMN](#)